



UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY
Caption in compliance with D.N.J. LBR 9004-2(c)

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In re:

ASHLEY STEWART HOLDINGS, INC., et al.,¹
Debtors.

Chapter 11

Case No. 14-14383 (MBK)

(Joint Administration Requested)

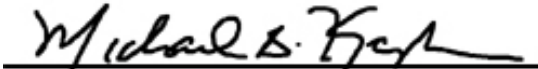
**ORDER (I) AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS TO PAY
PREPETITION WAGES, SALARIES AND RELATED OBLIGATIONS AND TAXES
AND (II) DIRECTING ALL BANKS TO HONOR CHECKS AND TRANSFERS FOR
PAYMENT OF PREPETITION EMPLOYEE OBLIGATIONS**

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Ashley Stewart Holdings, Inc. (6790); New Ashley Stewart, Inc. (6655); AS IP Holdings, Inc. (6890); and NAS Gift LLC (5413). The Debtors' corporate offices are located at 100 Metro Way, Secaucus, NJ 07094.

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Debtor: Ashley Stewart Holdings, Inc., et al.
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The relief set forth on the following pages, numbered two (2) through five (5), is hereby ORDERED.

DATED: 3/11/2014



Honorable Michael B. Kaplan
United States Bankruptcy Judge

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Upon the motion (the “Motion”)¹ of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) for entry of an order (this “Order”), pursuant to Rule 1007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), (i) authorizing, but not directing, the Debtors to pay prepetition wages, salaries and related obligations and taxes and (ii) directing all banks to honor checks and transfers for payment of prepetition employee obligations; and upon consideration of the Declaration of Michael A. Abate in Support of First-Day Motions; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the *Standing Order of Reference to the Bankruptcy Court Under Title 11* dated as of September 18, 2012; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that venue of this proceeding and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and it appearing that no other or further notice need be provided; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Debtors are hereby authorized, but not directed, to pay all prepetition Employee and Independent Contractor claims for wages, salaries, contractual compensation, sick pay, personal day pay, vacation pay, holiday pay, and other accrued compensation, subject to the statutory cap of \$12,475 per Employee under sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code.

¹ Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Motion.

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2. The Debtors are authorized, but not directed, to pay prepetition insurance premiums and other amounts associated with the Employee Benefits Programs, to the extent any such premiums and other amounts become due.

3. The Debtors are authorized, but not directed, to transfer any withheld employee taxes, garnishments, 401(k) contributions, and contributions under the Flex Spending Plan, as described in the Motion, to the appropriate third party.

4. The Debtors are authorized, but not obligated, to pay any amounts due under the 401(k) Plan that may become due.

5. The Debtors are authorized, but not directed, to pay any third parties that administer or provide services in connection with the Employee Benefits Plans described in the Motion.

6. Neither this Order nor the Debtors' actions shall be deemed to be an assumption or adoption of any agreement, contract, or policy pursuant to section 365 of the Bankruptcy Code or otherwise.

7. All of the Debtors' banks are authorized and directed to honor all checks issued and fund transfers requested in respect of the prepetition wages, salaries, and benefits requested in the Motion, as approved by this Order, to the extent sufficient funds are on deposit, regardless of whether such checks or fund transfer requests were issued prior to or after the Petition Date.

8. The Debtors are authorized (consistent with the terms of this Order) to issue postpetition checks and/or to effect postpetition fund transfer requests in replacement of

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any checks or fund transfer requests related to any prepetition wages, salaries, benefit obligations, and/or other payments authorized under the terms of this Order that are dishonored or rejected (notwithstanding the terms of this Order) as a consequence of the commencement of these Chapter 11 Cases, and such checks or transfer requests shall not be required to bear the designation “Debtor-in-Possession”.

9. Notwithstanding anything in the Motion or in this Order to the contrary, any authority granted to the Debtors herein to make any payment shall be subject to any orders authorizing the Debtors to use cash collateral or access postpetition financing.

10. The relief requested in the Motion is necessary to avoid immediate and irreparable harm and, thus, notwithstanding the possible applicability of Bankruptcy Rule 6003, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

11. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062 or 9014, the terms and conditions of this Order shall be effective immediately and enforceable upon its entry.

12. To the extent this Order is inconsistent with any prior order or pleading with respect to the Motion in these cases, the terms of this Order shall govern.

13. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

14. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

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15. A true copy of this Order shall be served on all parties-in-interest by regular mail within seven (7) days hereof.